

The Public Expenditure Management (PEM) Diagnostic

This toolkit provides an approach for assessing public expenditure institutional arrangements. The conceptual underpinnings of the PEM diagnostic can be found in the Public Expenditure Management Handbook (World Bank, 1998) and anyone administering the diagnostic should be familiar with this document. The PEM diagnostic is built around three critical levels of good governance in the allocation and use of public resources. The three levels are:

- Fiscal discipline
- Strategic allocation of resources
- Efficiency in service delivery

The diagnostic exists in two different versions, a summary version, and a longer version, intended for more in-depth work. Each version follows the same format. For each of the three levels identified there are a set of performance indicators, and a set of key value statements (next page). By answering the **performance indicators**, a country gets an understanding of how well its public expenditure system is performing at that particular level. At the level of fiscal discipline, the basic performance criteria is whether fiscal policy is stable and sustainable. If so it provides for predictable funding. At the second level, the allocation of resources, the key question is whether the budget is a credible signal of governments intentions, providing predictability to policymaking and sectoral funding. At the third level, the performance of the public expenditure system demands performance from public actors while providing funding that reaches the front-line in a timely and predictable manner.

If a performance problem exists at any of these levels, it can be further investigated by answering questions on the quality of institutional arrangements at each level. These questions are divided by a set of **key value statements**, providing a country with an understanding of the institutional mechanisms associated with different public expenditure values and how well the country's systems is doing value by value.

This version of the diagnostic features a **context** section, designed to give an overview of the environment in which policy choices and public management occurs in a developing country. It assesses the level and types of influence that different key actors have in government.

Framework of the PEM Diagnostic

I. Fiscal Discipline

Performance Indicators:

- 1.1 The macroeconomic framework is stable and sustainable, as evidenced by actual outcomes and their consistency with official projections
- 1.2 The fiscal framework is stable and sustainable

Key Values:

- 1.3 There is a technically sound, up to date, economic framework
- 1.4 There are effective formal fiscal constraints backed by appropriate authority
- 1.5 There are sound procedures for reviewing and restraining government borrowing
- 1.6 There are formal requirements that promote transparency
- 1.7 For fiscal policy development, there are requirements for timely reporting with and among the executive and legislative branches
- 1.8 Most or all government expenditures are covered by the budget; all expenditures are tracked by the Ministry of Finance and the jurisdiction of the Supreme Audit Institution covers most of the government's fiscal operations.

II. Strategic Allocation of Resources

Performance Indicators:

- 2.1 The country generates good value for its resources, i.e. higher human development compared to its peers
- 2.2 There is a high degree of consistency between the original budgets and actual expenditures
- 2.3 There is a high degree of consistency between stated government priorities and resource allocation over time

Key Values:

- 2.4 Government has clear, realistic and well-developed objectives (overall and by sector) that are elaborated in strategic policy documents
- 2.5 Policy and program tradeoffs are determined as part of the budget process
- 2.6 Central agencies manage a disciplined results-oriented budget process and facilitate policy-making supported by sound technical analysis
- 2.7 Ministry-level policy priorities are formulated in a strategic, consultative manner
- 2.8 The Executive is subject to checks and balances from the Legislature and civil society

III. Efficiency in Service Delivery

Performance Indicators:

- 3.1 The country delivers key public services efficiently and effectively.
- 3.2 Delivery of budgeted resources to spending units is reliable and predictable
- 3.3 External audit is timely

Key Values:

- 3.4 There are effective rules to foster predictable delivery of budgeted resources to the front-line
- 3.5 There is a systemic orientation that encourages ministries as well as staff to focus on performance and strategic objectives.
- 3.6 There are clear rules for the reallocation of resources between spending units.
- 3.7 Managers have flexibility and are held accountable for performance
- 3.8 Performance and cost information is collected, disseminated and used to improve performance
- 3.9 Government entities are subject to financial and performance audits, the results of which are disseminated and acted upon by government.
- 3.10 Procurement is transparent and focused on value for money

The Context section examines the following key areas:

- 4.1 Ministries, Departments and Agencies
- 4.2 Central Agency Arrangements
- 4.3 Relative influence of the Executive and Legislature
- 4.4 Balance of Influence at the Center of Government
- 4.5 Policy Positions of Politicians
- 4.6 Role of Donors
- 4.7 Boundary between General Government and the Rest of Economy

Level I: FISCAL DISCIPLINE

The ultimate measure in terms of macro fiscal impact is inflation, interest rates and saving rates. Issues of sustainability require attention to debt levels and coverage of budget (quasi fiscal, contingent liabilities). From the point of public sector performance the issue is the extent to which aggregate expenditure is sound and sustainable. In turn, this depends on the reliability of revenue estimates

1.1 Performance Indicator: The macroeconomic framework is stable and sustainable, as evidenced by actual outcomes and their consistency with official projections

1.1.1 Please identify the following key macroeconomic indicators over the past 3 years

| | This year | Last Year | Three years ago |
|----------------|-----------|-----------|-----------------|
| Inflation Rate | | | |
| Interest Rate | | | |
| Saving Rate | | | |
| Growth Rate | | | |

1.1.2 Deviation of actuals from published estimates:

| Deviation from | This year | Last Year | Three years ago |
|-----------------------|-----------|-----------|-----------------|
| Inflation estimates | | | |
| Saving rate estimates | | | |
| Growth rate estimates | | | |

1.1.3 *Performance indicator: The macroeconomic framework is stable and sustainable, as evidenced by actual outcomes and their consistency with official projections.*

Given the information in above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

1.2 Performance Indicator: The fiscal framework is stable and sustainable

1.2.1 Please identify the following key fiscal indicators over the past 10 years

| | Current year estimate | Previous Year | 5 years ago | 10 Years ago |
|--------------------|-----------------------|---------------|-------------|--------------|
| Expenditure/GNP | | | | |
| Revenue/GNP | | | | |
| Budget Deficit/GNP | | | | |
| PSBR/GNP | | | | |
| Public Debt/GNP | | | | |

1.2.2 What is the deviation of actual fiscal indicators from estimate in the initial budget bill?

If you do not have an exact percentage, please estimate an A to E score, where:

A = 0-5% B = 5-15% C = 15-30% D = 30- 60% E = 60%+

| | Previous year | 2 years ago | 3 years ago |
|---|---------------|-------------|-------------|
| Deviation from Domestic Revenue Estimates | | | |
| Tax revenue | | | |
| Non-tax revenue | | | |
| User charges | | | |
| Deviation from Donor Funding Estimates | | | |
| Deviation from Expenditure Estimates | | | |
| Deviation from Deficit Estimates | | | |
| Deviation from PSBR Estimates | | | |

1.2.3 In the case of *domestic revenue estimates*, rank in order of importance the factors to which the deviations can be attributed. Rank the top three, with 1 being most important

- | | Rank |
|--|--------------------------|
| Unpredictable shocks | <input type="checkbox"/> |
| Systematic overestimation of revenues | <input type="checkbox"/> |
| Systematic underestimation of revenues | <input type="checkbox"/> |
| Poor estimation capacity | <input type="checkbox"/> |
| Poor revenue administration | <input type="checkbox"/> |
| Other (Specify): | |

1.2.4 In the case of *donor funding*, rank in order of importance the factors to which the deviations can be attributed. Rank the top three, with 1 being most important

- | | Rank |
|--|--------------------------|
| Failure to meet donor conditions | <input type="checkbox"/> |
| Inability to implement donor funded projects | <input type="checkbox"/> |
| Weak implementation capacity | <input type="checkbox"/> |
| Inadequate disbursement procedures | <input type="checkbox"/> |
| Donor rules on disbursement | <input type="checkbox"/> |
| Inability of donors to commit funding | <input type="checkbox"/> |
| Inability of donors to live up to commitment | <input type="checkbox"/> |
| Other (Specify): | |

1.2.5 In the case of *expenditure estimates*, rank in order of importance the major factors to which the deviations can be attributed. Rank the top three, with 1 being most important

- | | Rank |
|--|--------------------------|
| Unpredictable shocks | <input type="checkbox"/> |
| Adjustment to reflect revenue deviations | <input type="checkbox"/> |
| Inability to implement policies, programs and projects | <input type="checkbox"/> |
| Inadequate counterpart/operational funds | <input type="checkbox"/> |
| Lack of fiscal discipline | <input type="checkbox"/> |
| Realization of implicit contingent liabilities (CLs) | <input type="checkbox"/> |

- Realization of guarantees and other explicit CLs above/below ‘estimate’
- Systematic underestimation of mandatory expenditures (wages and salaries)
- Systematic overestimation of non-mandatory expenditures
- Other (Specify):

1.2.6 *Performance Indicator: The fiscal framework is stable and sustainable.*

Given the above information and the country circumstances, record your judgement of the extent to which country practice exhibits the above performance indicator, on a scale of 1 to 5:

- 1. *Not at all*
- 2. *To some degree*
- 3. *To a significant degree*
- 4. *Almost completely*
- 5. *Completely*

1.3 Key Value: There is a technically sound, up to date, economic framework

1.3.1 Is there a formal requirement to prepare a macroeconomic framework?

- 1. No
- 2. Yes, a procedural/administrative requirement
- 3. Yes, a legal requirement

1.3.2 Does the macroeconomic framework link economic growth, revenues, deficits and national debt?

- 1. No
- 2. Yes

1.3.3 What is the time horizon of the macroeconomic framework?

- 1. One year
- 2. Medium term (3 year)
- 3. Over Three years

1.3.4 How often is the framework updated?

- 1. Monthly
- 2. Quarterly
- 3. 6 months
- 4. Annually

1.3.5 When is it published?

- 1. Not Published

- 2. Published prior to Budget
- 3. Published with the Budget

1.3.6 Indicate which of the following techniques or indicators are used to a significant extent in formulating or justifying fiscal policy in formal policy statements: (tick all applicable options)

- Qualitative statement of sustainability
- Structural or cyclically adjusted fiscal balance
- Sustainability calculations (e.g. estimates of the primary balance required to stabilize debt)
- Accrual basis budgets and accounts
- Generational accounts
- Other (specify)

1.3.7 *Key Value: There is a technically sound, up to date, macroeconomic framework.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

1.4 Key Value: There are effective formal fiscal constraints backed by appropriate authority

1.4.1 Are aggregate fiscal targets adopted as an integral part of the budget?

| | Formal targets | | Observed in practice | |
|-------------|----------------|----|----------------------|----|
| | Yes | No | Yes | No |
| Expenditure | | | | |
| Deficit | | | | |
| Debt level | | | | |

1.4.2 What mechanisms are employed to enforce observance of fiscal targets?

- 1. None
- 2. Budget outturn compared to targets but no action taken
- 3. Government advises Legislature if outturn deviates from target
- 4. Government may block spending to enforce targets

1.4.3 Are fiscal constraints effective in limiting spending?

- 1. No
- 2. Constraints are indicative; they do not limit subsequent actions
- 3. Constraints set limits, which may be revised to accommodate additional expenditure

4. Constraints are hard constraints

1.4.5 To what extent are formal constraints achieved by taking fiscal activities ‘off-budget’ (including arrears, guarantees, quasi-fiscal activities, autonomous agencies)?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

1.4.6 *Key Value: There are effective formal fiscal constraints backed by appropriate authority. Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:*

- 1. *Not at all*
- 2. *To some degree*
- 3. *To a significant degree*
- 4. *Almost completely*
- 5. *Completely*

1.5 Key Value: There are sound procedures for reviewing and restraining government borrowing

1.5.1 Who is required to approve entering into external loan agreements?

- 1. No one
- 2. Relevant Minister
- 3. Minister of Finance
- 4. Other (Specify)

1.5.2 Are there rules limiting borrowing by government and are they observed?

| | Formal rules | | Observed in practice | |
|--------------------|--------------|----|----------------------|----|
| | Yes | No | Yes | No |
| Domestic borrowing | | | | |
| From Central Bank | | | | |
| External borrowing | | | | |

1.5.3 *Key Value: There are sound procedures for reviewing and restraining government borrowing. Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:*

- 1. *Not at all*
- 2. *To some degree*
- 3. *To a significant degree*

- 4. *Almost completely*
- 5. *Completely*

1.6 Key Value: There are formal requirements that promote transparency

1.6.1 Are budgets and financial regulations easily available to the public?

- 1. Annual budgets are confidential documents
- 2. Annual budgets are provided only to the legislature and selected officials
- 3. Annual budgets are published, but are not cheaply and easily available to all
- 4. Annual budgets are cheap and available to anyone, but not financial regulations
- 5. Annual budgets and financial regulations are cheap and available to anyone

1.6.2 What are the Government's legal public reporting requirements and are they adhered to?
Please mark the appropriate response with an 'x'

| | None | Annually | Other (specify) | Adhered | Not adhered |
|---------------------|------|----------|-----------------|---------|-------------|
| Revenue | | | | | |
| Expenditure | | | | | |
| Budget Deficit | | | | | |
| Public Debt | | | | | |
| PSBR | | | | | |
| Inflation | | | | | |
| Growth | | | | | |
| Income Distribution | | | | | |
| GNP | | | | | |

1.6.3 Are macroeconomic forecasts, and any formal models used to generate them, open to external scrutiny?

- 1. No, or to a very limited extent
- 2. Yes, but no formal institutional arrangements to assess them
- 3. Yes, and formal institutional arrangements to assure quality

1.6.4 Are there independent organizations which assure the integrity of government's fiscal reports?
(Tick all options that apply)

- None
- Think Tanks
- Auditor General
- Finance Organizations
- Central Bank
- Media
- Statistics Office
- International Organizations
- Universities
- Other (specify):

1.6.5 At the end of the fiscal year, is the government required to reconcile actual deficits and levels of national debt with provisions specified in the approved budget?

- 1. No
- 2. Yes, but not published
- 3. Yes and published

1.6.6 At the end of the fiscal year, is the government required to reconcile total spending with provisions specified in the approved budget?

- 1. No
- 2. Yes, but not published
- 3. Yes and published

1.6.7 *Key Value: There are formal requirements that promote transparency.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

- 1. *Not at all*
- 2. *To some degree*
- 3. *To a significant degree*
- 4. *Almost completely*
- 5. *Completely*

1.7 Key Value: For fiscal policy development, there are requirements for timely reporting with and among the executive and legislative branches

1.7.1 Does the fiscal plan clearly link fiscal targets to macroeconomic targets?

- 1. No
- 2. Not all fiscal targets are linked to macroeconomic targets
- 3. Fiscal targets are clearly linked to macroeconomic targets

1.7.2.a When must the Minister of Finance submit Economic and Fiscal outlook and scenarios to the Cabinet?

- 1. Never
- 2. With the Budget
- 3. With Budget Call Circular
- 4. Before Budget Call Circular

1.7.2.b Is this schedule complied with in practice?

- 1. Not at all
- 2. To some degree

- 3. To a significant degree
- 4. Almost completely
- 5. Completely

1.7.3.a How frequently must Economic and Fiscal Updates be provided to the Cabinet?

- 1. Never
- 2. Annually
- 3. Quarterly
- 4. Monthly

1.7.3.b Is this schedule complied with in practice?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

1.7.4.a When does the Executive Branch submit a Fiscal Policy Statement to Parliament:

- 1. Never
- 2. With the Budget
- 3. Prior to Budget
- 4. Other (Specify)

1.7.4.b Is this schedule complied with in practice?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

1.7.5 The focus of the Fiscal Policy Statement is

- 1. Annual
- 2. Medium-term

1.7.6 Is there a regular updating of fiscal policy during the fiscal year.

- 1. No
- 2. Monthly
- 3. Quarterly

4. Every six months
5. Annually

1.7.7 What is the focus of fiscal planning?

1. Cash Flows of Central Government (Budget only)
2. Cash Flows of Central Government (Budget + EBF's + QFA's)
3. Cash Flows of General Government
4. Financial Position of Central Government
5. Financial Position of General Government
6. Financial Position of General Government +Contingent Liabilities +Tax Expenditures

1.7.8 Which of the following items are explicitly estimated for fiscal planning purposes? Mark all that apply:

- Explicit national government guarantees of borrowing by subnational governments
- Implicit national government guarantees of borrowing by subnational governments (1)
- Explicit guarantees of debt of public enterprises
- Explicit guarantees of private sector debt (e.g. bank failure)
- Implicit guarantees of private sector debt (2)
- Implications of public pension fund schemes,
- Implications of social security schemes (3)
- Implications of State insurance Programs
- None of the above

Notes: (1) for example, a potential default of the biggest state which for political reasons the national government cannot ignore, (2) for example via a managed exchange rate regime, (3) e.g. welfare benefits, unemployment benefits.

1.7.9 *Key Value: For fiscal policy development, there are requirements for timely reporting within and among the executive and legislative branches.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

1.8 Key Value: Most or all government expenditures are covered by the budget; all expenditures are tracked by the Ministry of Finance and the jurisdiction of the Supreme Audit Institution covers most of the government's fiscal operations.

1.8.1 What percentage of all fiscal operations are covered by the budget?

1. Less than 60%

- 2. 60-70%
- 3. 70-80%
- 4. 80-90%
- 5. 90%+

1.8.2 Are off-budget costs of programs accounted and reported by Ministry of Finance?
Mark the appropriate response with an 'x'

| | Yes | No |
|--------------------------|-----|----|
| Guarantees | | |
| QFAs | | |
| EBFS | | |
| State Insurance Programs | | |
| Foreign Finance | | |

1.8.3 What does the jurisdiction of the Supreme Audit Institution cover?
Mark the appropriate response with an 'x'

| | Expenditure | Revenues | Assets/Liabilities | Guarantees |
|------------------------------|-------------|----------|--------------------|------------|
| Central government | | | | |
| Extra budgetary funds | | | | |
| Public financial enterprises | | | | |
| Public economic enterprises | | | | |
| Local governments | | | | |

1.8.4 *Key Value: Most or all government expenditures are covered by the budget; all expenditures are tracked by the Ministry of Finance and the jurisdiction of Supreme Audit Institution covers the most of governments fiscal operations.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

Level II: STRATEGIC ALLOCATION OF RESOURCES

2.1 Performance Indicator: The country generates good value for its resources, i.e. higher human development compared to its peers

2.1.1 The information below presents an indicator of whether the country generates better human development (good quality life) for its citizens compared to countries at its income level

Compare the key Human Development Indicators of countries with similar income level and neighbors

| | Country | Regional comparison | Similar income |
|---|---------|---------------------|----------------|
| Population below the national poverty line (%) | | | |
| Poverty gap (%) | | | |
| Income distribution: Gini Coefficient | | | |
| Prevalence of child malnutrition-rural/urban | | | |
| Immunization coverage rate | | | |
| Under-5 mortality rate | | | |
| Adult illiteracy rate | | | |
| Total fertility rate (births per woman) | | | |
| Maternal mortality ratio | | | |
| Life expectancy at birth male/female | | | |
| Child Labor (% of 10-14 years age group in labor force) | | | |
| % GDP spent on: Education | | | |
| % GDP spent on Health | | | |
| % GDP spent on Social safety net | | | |
| % GDP spent on Defense and Internal Security | | | |

2.1.2 *Performance Indicator: The country generates good value for its resources, i.e. higher human development compared to its peers*

Given the country circumstances, record your judgement of the extent to which country practice exhibits the above performance indicator, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

2.2 Performance Indicator: There is a high degree of consistency between the original budgets and actual expenditures

2.3 Performance Indicator: There is a high degree of consistency between stated government priorities and resource allocation over time

(The following set of questions are designed to answer both Performance Indicators 2.2 and 2.3).

2.2.1. What is the pattern of budgeted allocations and actual expenditure in various sectors deviations over the past five years? Estimate the relative share of the overall budget that the following sectors make up.

| | Actual last year | Budgeted last year | Actual two years ago | Budgeted two years ago | Actual five years ago |
|---------------|------------------|--------------------|----------------------|------------------------|-----------------------|
| Defense | | | | | |
| Law and Order | | | | | |
| Health | | | | | |
| Roads | | | | | |
| Agriculture | | | | | |
| Social Safety | | | | | |
| Education | | | | | |
| All Other | | | | | |

2.2.2 What is the trend in the share of actual budget allocation to the following sectors in the past five years? Mark the appropriate response with an 'x'

| | Increase | Stationary | Decrease |
|---------------|----------|------------|----------|
| Defense | | | |
| Law and Order | | | |
| Health | | | |
| Roads | | | |
| Agriculture | | | |
| Social Safety | | | |
| Education | | | |
| All Other | | | |

2.2.3 Do *deviations* between original budgeted allocations and actual expenditure appear to be increasing, decreasing or remaining stationary over the past five years? Mark the appropriate response with an 'x'

| | Increase | Stationary | Decrease |
|---------------|----------|------------|----------|
| Defense | | | |
| Law and Order | | | |
| Health | | | |
| Roads | | | |
| Agriculture | | | |
| Social Safety | | | |
| Education | | | |
| All Other | | | |

2.2.4 What is the pattern of budgeted allocations and actual expenditure in various sectors deviations over the past five years? Estimate the relative share of the overall budget that the following economic classifications make up.

| | Budgeted last year | Actual last year | Budgeted 2 years ago | Actual 2 years ago | Actual five years ago |
|--|--------------------|------------------|----------------------|--------------------|-----------------------|
| | | | | | |

| | | | | | |
|--------------------|--|--|--|--|--|
| Current spending | | | | | |
| Wages and Salaries | | | | | |
| Other current | | | | | |
| Transfers | | | | | |
| Investment | | | | | |

2.2.5 Do *deviations* between original budgeted allocations and actual expenditure appear to be increasing, decreasing or remaining stationary over the past five years? Mark the appropriate response with an 'x'

| | Increase | Stationary | Decrease |
|--------------------|----------|------------|----------|
| Current spending | | | |
| Wages and Salaries | | | |
| Other current | | | |
| Transfers | | | |
| Investment | | | |

2.2.6 What is the major cause of deviation between budgeted and actual expenditure? Rank top three

- | | Rank |
|---|--------------------------|
| Deviation in aggregate expenditure | <input type="checkbox"/> |
| Reallocation of expenditures during budget implementation | <input type="checkbox"/> |
| Policy changes during year | <input type="checkbox"/> |
| Inability to implement policies, programs and projects | <input type="checkbox"/> |
| Inadequate counterpart/operational funds | <input type="checkbox"/> |
| Donor Funds not available | <input type="checkbox"/> |
| Lack of fiscal discipline | <input type="checkbox"/> |
| Other (specify): | <input type="checkbox"/> |

2.2.7 *Performance Indicator: There is a high degree of consistency between the original budget and actual expenditures.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the above performance indicator, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

2.2.8 *Performance Indicator There is a high degree of consistency between stated government priorities and resource allocation over time*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the above performance indicator, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

2.4 Key Value: Government has clear, realistic and well-developed objectives (overall and by sector) that are elaborated in strategic policy documents?

2.4.1.a Is there a long-term national strategic vision?

1. No
2. Yes

If no, skip to 2.4.2. If yes, continue to answer 2.4.1

2.4.1.b What is the name of the plan?

2.4.1.c What is the time horizon of the plan:

1. 5 years
2. 10 years
3. 15+ years

2.4.2.a Is there a national development plan?

1. No
2. Yes

If no, skip to 2.4.3. If yes, continue to answer 2.4.2

2.4.2.b What is the name of the plan?

2.4.2.c What is the time horizon of the plan:

4. 5 years
5. 10 years
6. 15+ years

2.4.2.d Is it regularly reviewed and updated?

1. Yes
2. No

2.4.3.a Are sectoral strategies developed

1. No
2. Yes, but only for some sectors
3. Yes, most or all sectors produce sectoral strategies

If no, skip to 2.4.4. If yes, continue to answer 2.4.3

2.4.3.b What is the main source of influence on sectoral strategies?

1. Sectoral strategies have little in common with either the national plan or the strategic vision
2. The national plan/strategic vision has a limited influence on sectoral strategies
3. Sector plans generate goals and targets consistent with the national plan/strategic vision

2.4.4 Does the Government Program (or the coalition agreement) specify policy priorities?

1. No
2. Yes

2.4.5.a Does the Cabinet announce a Budget Policy Statement where it articulates its priorities?

1. No
2. Yes

If no, skip to 2.4.6. If yes, continue to answer 2.4.5

2.4.5.b Is the Budget Policy Statement announced:

1. Prior to Budget
2. With the Budget

2.4.5.c Is the Budget Policy Statement

1. Published
2. Not Published

2.4.5.d Does the Budget Policy Statement announce new policy initiatives?

1. No
2. To a limited extent
3. Yes

2.4.5.e Does the Budget Policy Statement set inter-sectoral priorities

1. No
2. To a limited extent
3. Yes

2.4.5.f Does the Budget Policy Statement set ministerial targets

1. No
2. To a limited extent
3. Yes

2.4.6 To what extent does the strategic vision/national plan of the country influence the resource allocation process?

1. Priorities from the strategic vision/national plan have no influence on the budget
2. The priorities inform budget debate, but there is no formal linkage
3. Government guidelines require ministries to submit budget bids that conform to strategic priorities from the strategic vision/national plan
4. Government reviews bids and decides budget on basis of priorities from the strategic vision/national plan

2.4.7 Do budget documents clearly identify Government's priorities?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.4.8 Do budget documents clearly identify allocation by policy and program?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.4.9 *Key Value: Government has clear, realistic and well-developed objectives (overall and by sector) that are elaborated in strategic policy documents?*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

2.5 Key Value: Policy and program tradeoffs are determined as part of the budget process

2.5.1 To what extent does the executive branch, on a collective basis (e.g. Cabinet), invoke the following choices (Please mark the appropriate option, where 1= “not at all” and 5 = “completely”):

| | | | | | | |
|---------------------------------------|---|---|---|---|---|-------------------|
| Setting aggregate expenditure ceiling | 1 | 2 | 3 | 4 | 5 | No ceilings exist |
| Setting sectoral expenditure ceilings | 1 | 2 | 3 | 4 | 5 | No ceilings exist |
| Allocation of resources to: | | | | | | |
| Sectors | 1 | 2 | 3 | 4 | 5 | |
| Existing programs | 1 | 2 | 3 | 4 | 5 | |
| New policy proposals | 1 | 2 | 3 | 4 | 5 | |
| Projects | 1 | 2 | 3 | 4 | 5 | |

2.5.2 To what extent are policy proposals with budgetary implications* have to compete for funding within hard budget constraints:

1. Not at all
2. There is a limited sense of competition between policy proposals
3. There is a strong sense of competition between policy proposals

2.5.3 Do Ministers have authority to reallocate among programs within their portfolios during budget formulation?

1. No
2. Within a top-down ceiling, Ministers may reallocate among existing programs
3. Within a top-down ceiling, Minister may reallocate among existing programs and introduce new programs
4. Yes, unconstrained by any top-down ceiling

2.5.4 Are Ministerial reallocations reviewed by the centre?

1. No
2. There is some review of Ministerial reallocation decisions
3. There is a systematic process of review of any reallocation decisions made by Ministers to ensure consistency with government-wide strategic priorities and accuracy of costs

2.5.5 Does the cabinet office/chancellery have formal authority from the head of Government to reject cabinet submissions that present a single policy option (even if the alternative is no change)?

1. No
2. Yes

* Both explicit in the sense of direct expenditures or tax expenditures, and implicit in the sense of guarantees, quasi-fiscal activities as well as off-budget expenditure.

2.5.6 Does the cabinet office/chancellery have formal authority from the head of Government to ensure that submissions are legal and consistent with previous decisions?

1. No
2. Yes

2.5.7 Does the cabinet office/chancellery have formal authority from the head of Government have formal authority from head of Government to seek information from sector ministries on status of past cabinet decisions?

1. No
2. Yes

2.5.8.a Is there a Cabinet budget subcommittee?

1. No
2. Yes

If no, skip to question 2.5.9. If yes, please answer the rest of 2.5.8.

2.5.8.b How involved is Cabinet's budget subcommittee in setting an *aggregate expenditure ceiling*?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely
6. No ceilings exist

2.5.8.c How involved is Cabinet's budget subcommittee in setting *sectoral expenditure ceilings*?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely
6. No ceilings exist

2.5.8.d How involved is Cabinet's budget subcommittee in *allocation of resources to sectors*?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely

5. Completely

2.5.8.e How involved is Cabinet's budget subcommittee in *allocation of resources to existing programs*?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.5.8.f How involved is Cabinet's budget subcommittee in *allocation of resources to new policy proposals*?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.5.8.g How involved is Cabinet's budget subcommittee in allocation of *resources to projects*?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.5.9 What percentage of the budget is earmarked, and not subject to competition with other programs?

1. 0-20%
2. 20-40%
3. 40-60%
4. 60-80%
5. 80%+

2.5.10 Are there clear criteria for determining when expenditures can be earmarked?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.5.11 How significant are tax expenditures (as a percentage of total budgeted expenditure)?

- 1. 0%
- 2. 1-5%
- 3. 6-10%
- 4. 11-25%
- 5. >25%

2.5.12 Is the budget outturn formally reported to cabinet at least 4 times per year?

- 1. No
- 2. Yes

2.5.13 *Key value: Policy and program tradeoffs are determined as part of the budget process*
Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

- 1. *Not at all*
- 2. *To some degree*
- 3. *To a significant degree*
- 4. *Almost completely*
- 5. *Completely*

2.6 Key Value: Central agencies manage a disciplined results-oriented budget process and facilitate policy-making supported by sound technical analysis

2.6.1 How often is there an explicit process that reviews the rationale for government intervention in a particular sector (a "fundamental review" or "strategic review")?

- 1. Never
- 2. Rarely
- 3. Frequently
- 4. Systematically

If the answer is 'never', please skip to 2.6.2. Otherwise continue to answer 2.6.1

2.6.1.a Through what process would such a review be initiated?

- 1. National development plan
- 2. Review at the center among bureaucracy
- 3. Review at the center involving executive and parliament.
- 4. Review due to external pressures
- 5. Other (Specify)

2.6.2 To what extent is there a requirement to conduct ex ante quantitative analysis of costs and benefits before a new program is initiated?

1. There is no requirement
2. There is a requirement, but it is only occasionally observed
3. There is a requirement, and it is almost always observed

If the answer is "There is no requirement" please skip to question 2.6.5.

2.6.3 Are the medium-term costs of policy changes taken into account?

1. No
2. Medium-term costs are considered only an ad-hoc basis, and play little or no role in the formulation of the annual budget
3. There is a forward estimate system and forward estimates are adjusted by the estimated impact of approved policy changes. However, forward estimates play little or no role in the formulation of the annual budget.
4. Forward estimates become the starting point for the next annual budget

2.6.4.a Do the estimates of new policy proposals cover *immediate costs on budget*?

1. No
2. Yes

2.6.4.b Do the estimates of new policy proposals cover *medium term costs on budget*?

1. No
2. Yes

2.6.4.c Do the estimates of new policy proposals cover costs of *quasi fiscal operations*?

1. No
2. Yes

2.6.4.d Do the estimates of new policy proposals cover *tax expenditures*?

1. No
2. Yes

2.6.4.e Do the estimates of new policy proposals cover any *fiscal risks*?

1. No
2. Yes

2.6.4.e Do the estimates of new policy proposals cover *medium term full costs* ?

1. No
2. Yes

2.6.5 To what extent are new policy proposals reviewed by the Ministry of Finance?

1. Not at all
2. New policy proposals are given cursory review by the Ministry of Finance
3. The Ministry of Finance reviews the medium-term costing of all new policy proposals

2.6.6 Are there consistent and codified technical standards set out by Ministry of Finance which sector Ministries must adhere to in calculating program costings?

1. No
2. Yes

2.6.7 Does the Minister of Finance have formal authority from the head of Government to offer budget increases or impose binding budget decreases during bilateral negotiations with sector ministers?

1. No
2. Yes

2.6.8 Has the head of Government overruled the Minister of Finance in any significant budgetary decisions during the course of budget formulation?

1. No
2. Yes

2.6.9 What percentage of discretionary expenditures is under the Head of Government's direct control ?

1. 0%
2. 1 to 3%
3. 4 to 10%
4. 11 to 25%
5. Over 25%

2.6.10 What type of expenditure ceilings, if any, does the center set prior to negotiations with sector ministries?

1. None
2. Program Ceilings
3. Portfolio Ceilings
4. Ongoing Policies
5. New Policies
6. Forward Estimates

2.6.11 If ceilings are in place, who sets them?

1. Cabinet
2. Office of the Head of Government
3. Head of Government
4. Ministry of Finance
5. Cabinet Office
6. Minister of Finance

2.6.12 Does the Government have an active process for evaluating the effectiveness of existing programs?

1. No, few program evaluations are conducted
2. No, but evaluations are conducted when there is strong interest in reviewing existing policies
3. The Government has adopted but not consistently implemented a policy that all programs be reviewed periodically
4. The Government has procedures in place to systematically review all programs periodically

2.6.13 Are evaluation reports used while setting budget ceilings?

1. No
2. To a limited extent
3. Yes

2.6.14 Does output/outcome information influence budget allocations?

1. Not at all
2. Performance information informs debate over allocations
3. Performance information is closely linked to actual allocations

2.6.15 *Key Value: Central agencies manage a results- oriented budget process and facilitate policy making supported by sound technical analysis*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

2.7 Key Value: Ministry-level policy priorities are formulated in a strategic, consultative manner

2.7.1 Rank, with 1 being most influential, the importance of the following actors in influencing the policies made for a ministry:

| | Rank |
|--|--------------------------|
| The ministry itself | <input type="checkbox"/> |
| Ministry of Finance and other central agencies | <input type="checkbox"/> |
| Donors | <input type="checkbox"/> |
| Stakeholders | <input type="checkbox"/> |
| The Minister | <input type="checkbox"/> |
| Head of government | <input type="checkbox"/> |

2.7.2.a To what extent do consultations with the *business community* have an impact on setting the specific priorities of the ministry?

1. There are no consultations with this group
2. There are some consultations, but with little effect
3. There are consultations, with a significant impact
4. There are consultations, with a very significant impact

2.7.2.b To what extent do consultations with public *interest groups* have an impact on setting the specific priorities of the ministry?

1. There are no consultations with this group
2. There are some consultations, but with little effect
3. There are consultations, with a significant impact
4. There are consultations, with a very significant impact

2.7.3.c To what extent do consultations with *labour unions* have an impact on setting the specific priorities of the ministry?

1. There are no consultations with this group
2. There are some consultations, but with little effect
3. There are consultations, with a significant impact
4. There are consultations, with a very significant impact

2.7.4.d To what extent do consultations with *farmer groups* have an impact on setting the specific priorities of the ministry?

1. There are no consultations with this group
2. There are some consultations, but with little effect
3. There are consultations, with a significant impact
4. There are consultations, with a very significant impact

2.7.4.e To what extent do consultations with *other interest groups* have an impact on setting the specific priorities of the ministry? (Please specify these other groups)

1. There are no consultations with other interest group
2. There are some consultations, but with little effect

- 3. There are consultations, with a significant impact
- 4. There are consultations, with a very significant impact

2.7.5 To what extent do Ministerial strategies influence the resource allocation process?

- 1. Little planning occurs in Ministries.
- 2. Sectoral strategies are developed, but priorities from sectoral strategies have no influence on the budget
- 3. The priorities inform budget debate, but there is no formal linkage
- 4. Ministers submit budget bids that conform to the strategic priorities from sectoral strategies
- 5. Government reviews bids and decides budget on basis of priorities from sectoral strategies

2.7.6 To what extent do Ministerial policies change from year to year?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

2.7.7 What are the main sources of any such policy change? Rank top three

| | Rank |
|---|--------------------------|
| External pressure from donors | <input type="checkbox"/> |
| Change of government | <input type="checkbox"/> |
| Change of fiscal situation | <input type="checkbox"/> |
| Reassessment of government rationale for intervention | <input type="checkbox"/> |
| Incremental change | <input type="checkbox"/> |
| Other (Specify) | |

2.7.8 When policies are proposed, are the options for service delivery presented and analyzed?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

2.7.9 To what extent are existing delivery mechanisms subject to evaluation?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

2.7.10 Are "Operational" (Recurrent) and "Development" (Investment/Projects) Expenditures:

| | Yes | Substantially | No |
|-----------------------|-----|---------------|----|
| Formulated Separately | | | |
| Reviewed Separately | | | |
| Voted Separately | | | |
| Managed Separately | | | |

2.7.11 *Key Value: Ministry-level policy priorities are formulated in a strategic, consultative manner*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

2.8 Key Value: The Executive is subject to checks and balances from the Legislature and civil society

2.8.1 To what extent does the legislature influence priority-setting through the budget?

1. Legislature has no real influence in priority-setting
2. Legislature has significant influence on priority-setting through the committee structure
3. The legislature can amend the executive's budget proposal but under fiscal constraints (it cannot increase spending or the deficit; or it cannot increase spending or deficit above a certain limit; or the aggregate changes must be off-setting - any increases must be off-set by an equal and opposite reduction)
4. The legislature can amend the executive's budget proposal in any way with no significant restrictions

2.8.2 Which stakeholders are most readily mobilized to demand better services? Please mark the appropriate option 1-5, where 1 indicates an inability to mobilize and 5 represents a high readiness and capacity to mobilize.

| | Not ready | | | Very ready | |
|---------------------------|-----------|---|---|------------|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1. Direct beneficiaries | 1 | 2 | 3 | 4 | 5 |
| 2. Indirect beneficiaries | 1 | 2 | 3 | 4 | 5 |
| 3. Women | 1 | 2 | 3 | 4 | 5 |
| 4. District officials | 1 | 2 | 3 | 4 | 5 |
| 5. NGOs | 1 | 2 | 3 | 4 | 5 |
| 6. Other | 1 | 2 | 3 | 4 | 5 |

2.8.3.a Please assess the extent that civil society effectively engages in offering policy advice or policy proposals to elected officials?

1. Civil society lacks the capacity to undertake this role
2. Civil society undertakes this role to a limited degree
3. Civil society undertakes this role to a substantial degree
4. Civil society undertakes this role to a very substantial degree, with a high impact

2.8.3.b Please assess the extent that civil society effectively reviews government policies and resource allocations?

1. Civil society lacks the capacity to undertake this role
2. Civil society undertakes this role to a limited degree
3. Civil society undertakes this role to a substantial degree
4. Civil society undertakes this role to a very substantial degree, with a high impact

2.8.3.c Please assess the extent that civil society effectively assesses the delivery of government services?

1. Civil society lacks the capacity to undertake this role
2. Civil society undertakes this role to a limited degree
3. Civil society undertakes this role to a substantial degree
4. Civil society undertakes this role to a very substantial degree, with a high impact

2.8.3.d Please assess the extent that civil society effectively communicates to the media and public?

1. Civil society lacks the capacity to undertake this role
2. Civil society undertakes this role to a limited degree
3. Civil society undertakes this role to a substantial degree
4. Civil society undertakes this role to a very substantial degree, with a high impact

2.8.4 *Key Value The Executive is subject to checks and balances from the Legislature and civil society*
Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

Level III: EFFICIENCY IN SERVICE DELIVERY

3.1 Performance Indicator: The country delivers key public services efficiently and effectively.

3.1.1 The information below presents basic indicators of the performance of the country in the delivery of key public services. Please mark with an “x” to indicate whether these rates have been increasing, decreasing or remaining stationary over time.

| | Increase | Decrease | Stationary |
|---|----------|----------|------------|
| % of population with access to health care | | | |
| Number of hospitals (per 1000 people) | | | |
| Unemployment rate, participation rate, working hours | | | |
| % of population or various groups undergoing vocational education | | | |
| Access to adequate Housing | | | |
| Access to safe water (% of population) | | | |
| Access to sanitation (% of population) | | | |
| Access to Financial Instrument | | | |
| Gross primary enrollment rate | | | |
| Secondary school enrollment rate | | | |
| Tertiary school enrollment rate | | | |
| School Attendance rates | | | |

3.1.2 *Performance Indicator: The country delivers key public services efficiently and effectively. Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the above performance indicator, on a scale of 1 to 5:*

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

3.2 Performance Indicator: Delivery of budgeted resources to spending units is reliable and predictable

3.2.1 How likely are spending units to receive the full amount budgeted for them?

1. The percent received is highly unpredictable, and varies from month to month (or quarter to quarter) depending on the Government's fiscal condition
2. The percent is unpredictable; some spending units get just about their full appropriation, others get much less
3. The percent varies from year to year but rarely is less than 90% of the non-salary amount appropriated
4. The percent is highly predictable and is almost all of the appropriation

3.2.2 How timely is the flow of budgeted resources to the front line (or to the level of government responsible for service delivery)?

1. Not timely at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Resources arrive to the front line in predictable fashion and in ample time for service delivery

3.2.3 Have uncertainties about the budget caused any of the following service delivery areas (mark all that apply):

- Problems hiring and keeping qualified personnel
- Problems meeting demand for services
- Wage arrears
- Cancellation of procurement contract
- Arrears to procurement suppliers
- Problems securing contacts with procurement suppliers
- Others (please specify):

3.2.4 What has been the trend in arrears in recent years (as a percentage of total government expenditure).

1. There are none
2. Less than 5% and falling
3. Less than 5% and rising
4. Between 5% and 10% and falling
5. Between 5% and 10% and rising
6. Greater than 10% and falling
7. Greater than 10% and rising

3.2.5 *Performance Indicator: Delivery of budgeted resources to spending units is reliable and predictable*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the performance indicator , on a scale of 1 to 5:

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

3.3 Performance Indicator: External audit is timely

3.3.1 Are annual Public Accounts audited and submitted to the legislature?

1. Public accounts are not audited
2. Public accounts are audited, but not submitted to the legislature
3. Public accounts are audited, and are submitted to the legislature 12 months or more after end of the fiscal year
4. Public accounts are audited, and are submitted to the legislature within a 12 months after the end of the fiscal year
5. Public accounts are audited, and are submitted to the legislature within six months of end of the fiscal year
6. Public accounts are audited, and are submitted to the legislature within three months of end of the fiscal year

3.3.2 *Performance Indicator: External audit is timely*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the performance indicator, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

3.4 Key Value: There are effective rules to foster predictable delivery of budgeted resources to the front line.

3.4.1 What are the major factors to which deviation between allocated and actual spending at the line ministry/agency/program level can be attributed? Rank the top 3, with 1 being most important.

| | Rank |
|---|--------------------------|
| Deviation in aggregate expenditure | <input type="checkbox"/> |
| Reallocation of expenditures during budget implementation | <input type="checkbox"/> |
| Policy changes during year | <input type="checkbox"/> |
| Inability to implement policies, programs and projects | <input type="checkbox"/> |
| Inadequate counterpart/operational funds | <input type="checkbox"/> |
| Lack of fiscal discipline | <input type="checkbox"/> |
| Other (specify): | |

3.4.2 Are there effective accounting systems to track how much of the appropriated funds are actually delivered to the front line?

1. No
2. Only for budgetary funds
3. For all funds

3.4.3 Do line ministries/agencies accept the need to live within their budget?

1. Line Ministries/agencies usually spend substantially more than budgeted
2. Line Ministries/agencies state acceptance of the need to live within budgets, but regularly spend more than budgeted
3. Line Ministries/agencies make genuine efforts to live within budgets, but sometimes overspend
4. Line Ministries accept the need to live within budget, and almost never overspend

3.4.4 Do sectors/Ministries/agencies have in place strategies to deliver key services in light of funding and policy unpredictability?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

3.4.5.a Where services are charged for, do agencies providing the services "retain" the revenue generated?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

If the answer is "not at all", skip to 3.4.6, otherwise please answer the rest of 3.4.5

3.4.5.b Is there agreement between Finance and line ministries on the sharing of user charges?

1. No
2. Yes

3.4.5.c Is Parliament provided with comprehensive information on user charges?

1. No
2. Yes

3.4.6 What happens when an agency chooses to spend less than its appropriations?

1. Carry over is not allowed and next years budget is cut by the same amount
2. Carry over is not allowed but next years budget is not affected
3. Carry over is allowed only in same category of spending
4. Carry over is allowed for new projects

3.4.7 Is there reconciliation of actual ministry budgetary allocations with forward estimate (i.e. the ministry allocations established in expenditure planning projections beyond annual budget)

1. No
2. Yes

3.4.8 Is there reconciliation of actual budgetary expenditure with allocations across ministries as approved in the budget?

1. No
2. Yes

3.4.9 *Key Value: There are effective rules to foster predictable delivery of budgeted resources to the front line*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the performance indicator , on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

3.5 Key Value: There is a systemic orientation that encourages ministries as well as staff to focus on performance and strategic objectives.

3.5.1 Has the Ministry of Finance (MoF) actively encouraged ministries to focus on strategic planning (if another Ministry has been responsible for this role, please note the Ministry and answer the options below as if they applied to this Ministry)

1. The MoF has made no effort encourage ministries in this area
2. The MoF has made minimal effort, including providing information on the topic
3. The MoF has actively encouraged Ministries to undertake strategic planning
4. The MoF requires all Ministries to undertake strategic planning
5. The MoF requires all Ministries to undertake strategic planning and ensures compliance

3.5.2 Has the Ministry of Finance (MoF) actively encouraged ministries to focus on performance measurement (if another Ministry has been responsible for this role, please note the Ministry and answer the options below as if they applied to this Ministry)

1. The MoF has made no effort encourage ministries in this area
2. The MoF has made minimal effort, including providing information on the topic
3. The MoF has actively encouraged Ministries to measure performance
4. The MoF requires all Ministries to measure performance

5. The MoF requires all Ministries to measure performance and ensures compliance

3.5.3 Do departments have a clear idea of their specific priorities over the next three years?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

3.5.4 What are the main challenges to developing a performance orientation?
Rank the top 5 challenges, with 1 being the most important:

| | Rank |
|---|--------------------------|
| Unpredictability of policy | <input type="checkbox"/> |
| Lack of leadership/capacity at Ministry of Finance | <input type="checkbox"/> |
| Lack of credibility of reform within Ministry | <input type="checkbox"/> |
| Lack of leadership/capacity at central agencies of ministry | <input type="checkbox"/> |
| Discontinuity of authorities | <input type="checkbox"/> |
| Lack of leadership capacity at the agency | <input type="checkbox"/> |
| Lack of resources | <input type="checkbox"/> |
| Unpredictability of resource allocation | <input type="checkbox"/> |
| Lack of autonomy for managers | <input type="checkbox"/> |
| Lack of employee capacity at agency level | <input type="checkbox"/> |
| Lack of incentives for employees | <input type="checkbox"/> |
| Unwillingness to change traditional system | <input type="checkbox"/> |
| Priority to routine work over reform | <input type="checkbox"/> |
| Poor availability of performance information | <input type="checkbox"/> |
| Donor fragmentation | <input type="checkbox"/> |

3.5.5 *Key Value: There is a systemic orientation that encourages ministries as well as staff to focus on performance and strategic objectives.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

3.6 Key Value: There are clear rules for the reallocation of resources between spending units.

3.6.1 How do spending units receive authorization to spend appropriated funds?

1. No fixed system. Department requests for funds are handled by the Finance Ministry on an ad hoc basis
2. The Finance Ministry makes monthly allocations to departments
3. The Finance Ministry makes quarterly allocations to departments
4. Each department is given a full year's allocation before or at the start of the fiscal year

3.6.2 What is the most important mechanism in place to translate deviations in aggregate expenditure to sector/ministry/agency? Rank the top three, with 1 being most important:

| <i>Types of reductions</i> | <i>Rank</i> |
|--|-------------|
| Ad hoc | |
| Across-the-board reductions | |
| Cash budgeting/rationing (specify how often cash is released below) | |
| weekly | |
| monthly | |
| quarterly | |
| Other (specify) | |
| Targeted reductions (specify below where reductions are targeted to) | |
| investment | |
| sectors | |
| ministries | |
| agencies | |
| programs | |
| operations and maintenance | |
| Other (specify) | |

3.6.3 *Key Value: There are clear rules for the reallocation of resources between spending units.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

3.7 Key Value: Managers have flexibility and are held accountable for performance?

3.7.1 To what extent do line managers have autonomy in the employee selection

1. Managers have unfettered discretion in this area

2. Managers have broad discretion, subject to civil service rules
3. Managers have limited discretion in making choices, and are largely subject to civil service rules
4. Managers have no discretion in this area

3.7.2 To what extent do line managers have autonomy in dismissing employees

1. Managers have unfettered discretion in this area
2. Managers have broad discretion, subject to civil service rules
3. Managers have limited discretion in making choices, and are largely subject to civil service rules
4. Managers have no discretion in this area

3.7.3 To what extent do line managers have autonomy in promoting employees

1. Managers have unfettered discretion in this area
2. Managers have broad discretion, subject to civil service rules
3. Managers have limited discretion in making choices, and are largely subject to civil service rules
4. Managers have no discretion in this area

3.7.4 How much discretion do department heads have in reallocating operating expenditures during the fiscal year?

1. None. They must spend money according to the items specified in the budget
2. Some. They may reallocate if approval is given by the Finance Ministry
3. Some. They may reallocate up to a certain percentage of operating expenditures
4. Substantial. They may reallocate on their own initiative, though certain shifts require Finance Ministry (or legislative) approval

3.7.5 Which of the following describes the degree of autonomy that districts enjoy in allocating financial resources? Mark all that apply:

- Districts have significant flexibility to move money between the line expenditure items within hard budget constraints
- Districts can raise their own revenue
- Districts can create positions
- Tight input controls or little autonomy
- Districts are constrained by narrowly-defined line-item budgets
- Transfers
- From province are their sole funding source
- Positions are created at higher levels of government

3.7.6.a Is actual performance during a fiscal year compared to performance targets specified in advance of the year?

1. No, performance targets do not exist
2. Performance targets exist, but no comparison with performance is actually made
3. Some comparisons are made, but no systemic reporting
4. Comparisons are reported for major portions of the budget
5. Government rules require all departments to compare targeted and actual performance

If no, skip to the next question, otherwise please answer 3.7.6.b

3.7.6.b Are reports of performance against targets (mark all that apply)

- Submitted to the Parliament
- Submitted to Ministry
- Publicly Available
- Reviewed by Donors
- Reviewed by Media
- Reviewed by NGO's

3.7.7.a Are rewards/sanctions linked to managerial achievement/non-achievement of budget targets

1. No
2. Pay is tied to achievement
3. Budget is tied to achievement
4. Job tenure is tied to achievement

3.7.7.b Are rewards/sanctions linked to managerial achievement/non-achievement of output/outcome targets

1. No
2. Pay is tied to achievement
3. Budget is tied to achievement
4. Job tenure is tied to achievement

3.7.8 Is performance information used to (where 1 = "not at all" and 5 = "completely"):

| | | | | | |
|--------------------------|---|---|---|---|---|
| Reward good performers | 1 | 2 | 3 | 4 | 5 |
| Sanction poor performers | 1 | 2 | 3 | 4 | 5 |

3.7.9 *Key Value: Managers have flexibility and are held accountable for performance*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. Not at all

- 2. *To some degree*
- 3. *To a significant degree*
- 4. *Almost completely*
- 5. *Completely*

3.8 Key Value: Performance and cost information is collected, disseminated and used to improve performance

3.8.1 Is there any requirement to identify unit cost of services?

- 1. No
- 2. There is a requirement, but it is rarely adhered to
- 3. There is a requirement and it is largely adhered to

3.8.2 Does the Government measure and report on program outputs?

- 1. No. Few outputs are measured or reported
- 2. Only a small number of programs have outputs measures
- 3. Outputs are not measured for most programs, but the number of such measures has increased in recent years
- 4. Government policy requires that where feasible, outputs be measured and reported

3.8.3 Has presentation of performance information been accompanied by necessary explanations and interpretations (e.g. explanation of data used, assumptions underlying data and qualitative information, the status of external data sources, and general economic, social or environmental conditions affecting performance)?

- 1. Not at all
- 2. To a limited extent
- 3. Frequently
- 4. Systematically

3.8.4 Does the Government have an active process for evaluating the effectiveness of existing programs.

- 1. No, few program evaluations are conducted
- 2. No, but evaluations are conducted when there is strong interest in reviewing existing policies
- 3. The Government has adopted but not consistently implemented a policy that all programs be reviewed periodically
- 4. The Government has procedures in place to systematically review all programs periodically

3.8.5 Who is responsible for systematically evaluating programs?

- 1. No one; programs are not evaluated on a regular basis

2. The spending ministry or department decides when its programs should be reviewed
3. The Finance Ministry (or another central agency) manages the program evaluation process
4. An independent auditor or comptroller general is responsible for evaluating programs

3.8.6 In which of the following ways does government obtain feedback from citizens? Please assess all those the degree to which the following practices are undertaken by government (1=not at all; 5=regularly):

| | Not at all | | | Regularly | |
|--|------------|---|---|-----------|---|
| | 1 | 2 | 3 | 4 | 5 |
| a. Customer surveys for a particular service | 1 | 2 | 3 | 4 | 5 |
| b. Surveys administered to citizens on the delivery of several public services | 1 | 2 | 3 | 4 | 5 |
| c. Surveys administered to citizen that ask about citizen needs | 1 | 2 | 3 | 4 | 5 |
| d. Town hall meetings | 1 | 2 | 3 | 4 | 5 |
| e. NGOS are assumed to represent citizens | 1 | 2 | 3 | 4 | 5 |
| f. Other (specify) | 1 | 2 | 3 | 4 | 5 |

3.8.7 Is performance information used as a way of improving entity operations?

1. Not at all
2. To a limited extent
3. Frequently
4. Systematically

3.8.8 *Key Value: Performance and cost information is collected, disseminated and used to improve performance.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

3.9 Key Value: Government entities are subject to financial and performance audits, the results of which are disseminated and acted upon by government.

3.9.1 Are government entities subject to financial audits?

1. No
2. Yes

3.9.2 Does the external auditor conduct performance audits?

1. No
2. Yes

3.9.3 What percentage of programs have been audited in the last five years?

| | Financial audit | Performance audit |
|----------------------|-----------------|-------------------|
| Less than 10% | | |
| Between 11% and 20% | | |
| Between 21% and 40% | | |
| Between 41% and 70% | | |
| Between 81% and 100% | | |

3.9.4 How long does it take to complete audit reports?

| | Financial audit | Performance audit |
|---|-----------------|-------------------|
| Not applicable (no such reports undertaken) | | |
| More than two years | | |
| One to two years | | |
| Six months to one year | | |
| Less than six months | | |

3.9.5 Are audit results published and easily available?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

3.9.6 Are audit results circulated and discussed in Parliament?

1. No
2. Yes, by Budget Commission
3. Yes, by General Assembly

3.9.7 Do audits generate recommendations? (Mark the appropriate response with an "x")

| | Yes | No |
|-------------------|-----|----|
| Financial audit | | |
| Performance audit | | |

3.9.8 Are recommendations generated by audits implemented?

- 1. Never
- 2. Rarely
- 3. Some of the time
- 4. Most of the time
- 5. Almost always

3.9.9 *Key Value: Government entities are subject to financial and performance audits, the results of which are disseminated and acted upon by government.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

- 1. *Not at all*
- 2. *To some degree*
- 3. *To a significant degree*
- 4. *Almost completely*
- 5. *Completely*

3.10 Key Value: Procurement is transparent and focused on value for money.

3.10.1 Is there a clear and effective legal framework for public procurement?

- 1. There is a lack of clear legal/administrative rules for public procurement
- 2. There is a moderately strong legal/administrative framework for public procurement, but it is frequently ignored
- 3. There is a moderately strong legal/administrative framework for public procurement, which is observed

3.10.2 How transparent is procurement (tendering)?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

3.10.3 Is procurement focused on value for money?

- 1. Not at all
- 2. To some degree
- 3. To a significant degree
- 4. Almost completely
- 5. Completely

3.10.4 *Key Value: Procurement is transparent and focused on value for money.*

Given the information above and the country circumstances, record your judgement of the extent to which country practice exhibits the key value, on a scale of 1 to 5:

1. *Not at all*
2. *To some degree*
3. *To a significant degree*
4. *Almost completely*
5. *Completely*

IV: CONTEXT

4.1 Ministries Departments and Agencies

4.1.1 If the characteristics of Ministries, Departments and Agencies contained in the table are not described accurately, please amend in the space provided

| Ministries, Departments and Agencies | | | | | |
|--------------------------------------|--|--|--|---|--|
| Indistinguishable from state | | | Separate legislative existence | | |
| Core Characteristics | Core Ministries | Subvented Agencies or other arms-length service delivery units | Statutory | Trading bodies (non-asset and asset owning) | |
| Legal Basis | <ul style="list-style-type: none"> ▪ constitutional justification ▪ probably no specific primary legislative basis or established by administrative decree alone | <ul style="list-style-type: none"> ▪ probably no specific primary legislative basis or established by administrative decree alone | <ul style="list-style-type: none"> ▪ legally distinct - specific enabling legislation ▪ legislation frequently specifies a Board of management | <ul style="list-style-type: none"> ▪ legally distinct - specific enabling legislation but also subject to commercial law ▪ Board controls assets within articles of association | |

| | | | | |
|---|--|--|--|--|
| <i>Funding and asset ownership</i> | <ul style="list-style-type: none"> ▪ Assets are the general property of the state - can not be sold by the agency ▪ budget dependent - nil or minor revenue earnings | <ul style="list-style-type: none"> ▪ assets are the general property of the state - can not be sold by the agency ▪ largely budget dependent - some revenue earnings | <ul style="list-style-type: none"> ▪ may or may not be able to own assets ▪ can be budget dependent (subvented) ▪ can be significant revenue earnings | <ul style="list-style-type: none"> ▪ can own assets ▪ can be budget dependent (subvented) ▪ can be significant revenue earnings |
|---|--|--|--|--|

4.1.2 Please fill out the following

| What is this class of agencies called | Core Ministries | Subvented Agencies or other arms-length service delivery units | Statutory | Trading bodies (non-asset and asset owning) |
|--|-----------------|--|-----------|---|
| Numbers of central government budget-funded employees (000s) | | | | |
| Number of civil service staff (if a distinct category) | | | | |
| Health employees (doctors, nurses, nurse assistants and midwives) | | | | |
| Education employees (teachers in primary and secondary schools) (000s) | | | | |

4.2 Central Agency Arrangements

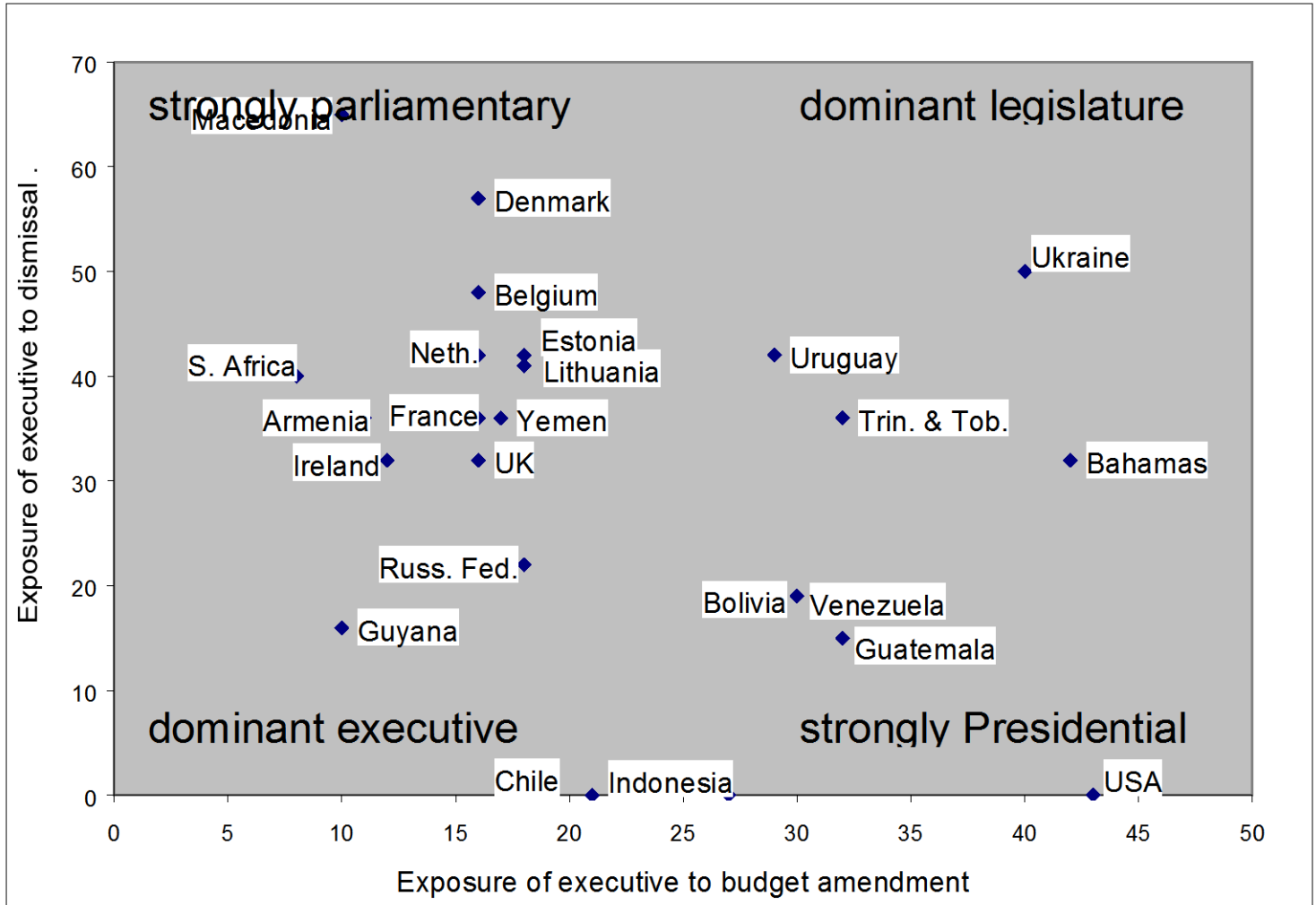
4.2.2 Please fill out the following:

| | | Report to who/what? (e.g. Minister or Legislature) | Is the description below correct? If not, please amend | Provide information if available | |
|---|-------------|--|--|----------------------------------|--|
| Central Agencies | Actual name | | | | |
| Finance ministry or budget offices | | | <ul style="list-style-type: none"> ▪ budget preparation rules ▪ expenditure control rules ▪ revenue-raising rules ▪ career management and pay rules ▪ procurement rules | | |
| Central personnel office / ministry of public service | | | <ul style="list-style-type: none"> ▪ agency function and performance rules ▪ recruitment and promotion rules ▪ career management and pay rules ▪ records management rules ▪ general staff conduct rules ▪ specific personal accountability rules | | |
| National archives / records services | | | <ul style="list-style-type: none"> ▪ records management rules | | |
| Boards of trading bodies | | | <ul style="list-style-type: none"> ▪ budget preparation rules ▪ expenditure control rules ▪ revenue-raising rules ▪ accounting and compliance auditing rules ▪ career management and pay rules ▪ general staff conduct rules | | |

| | | | | | |
|-------------------------------------|--|--|--|--|--|
| | | | <ul style="list-style-type: none"> ▪ specific personal accountability rules | | |
| Boards of trading bodies | | | <ul style="list-style-type: none"> ▪ accounting and compliance auditing rules ▪ specific personal accountability rules ▪ records management rules | | |
| Supreme audit body | | | <ul style="list-style-type: none"> ▪ accounting and compliance auditing rules ▪ specific personal accountability rules ▪ records management rules | | |
| General accounting office | | | <ul style="list-style-type: none"> ▪ accounting and compliance auditing rules ▪ specific personal accountability rules ▪ records management rules | | |
| Public service commission | | | <ul style="list-style-type: none"> ▪ recruitment and promotion rules ▪ career management and pay rules ▪ general staff conduct rules | | |
| Sector inspectorates | | | <ul style="list-style-type: none"> ▪ agency function and performance rules | | |
| Administrative tribunals/ ombudsman | | | <ul style="list-style-type: none"> ▪ judicial enforcement of compliance with regulations | | |
| Procurement agency | | | <ul style="list-style-type: none"> ▪ procurement rules | | |

| | | | | | |
|-------|--|--|---|--|--|
| | | | | | |
| Other | | | ▪ | | |

4.3 Relative influence of the Executive and the Legislature



For this section sum the scores associated with every response ticked. Questions 4.3.1-4.3.4 provide an exposure score of the executive to budget amendment by the legislature. Questions 4.3.5 to 4.3.7 provide an exposure score of the executive to dismissal by the legislature in between elections. Based on the score on both factors the country's relative position can be placed on the chart above.

4.3.1 What are the enduring binding constraints on the legislature in amending the budget proposal of the executive? Mark all statements that apply

- | | exposure score |
|---|----------------|
| 1. The legislature can propose its own budget | 5 |
| 2. The legislature can amend the executive's budget proposal in any way with no significant restrictions | 4 |
| 3. The legislature can amend the executive's budget proposal but under the constraint that the aggregate changes must be off-setting - any increases must be off-set by an equal and opposite reduction | 2 |

- | | |
|---|---|
| 4. The legislature can amend the executive's budget proposal but under the constraint that it cannot increase spending or the deficit - or it cannot increase spending or deficit above a certain limit | 2 |
| 5. The legislature must have the executive's approval before it can amend the executive's budget proposal | 1 |
| 6. The legislature is constrained so that it can only accept or reject the budget - no amendment is possible | 0 |

4.3.2 What are the enduring binding constraints on the legislature concerning delays in passing the budget or in rejecting the budget? Mark all statements that apply

- | | |
|---|----------------|
| | exposure score |
| 1. Not a relevant question - the legislature can pass its own budget proposals and so has no reason to cause delays | 5 |
| 2. The legislature can delay passing the budget indefinitely - even if this might force a shutdown in the executive | 5 |
| 3. Delays in passing the budget forces the executive to submit a new proposal | 4 |
| 4. If the legislature delays passing the budget proposal, last year's budget applies (on a month by month or quarterly basis) | 2 |
| 5. If the legislature delays passing the budget proposal, last year's budget applies (in its entirety) | 1 |
| 6. The executive's budget automatically enacted if the legislature delays passing the budget | 0 |

4.3.3 Can the legislature can pass its own budget?

1. No
2. Yes

| | |
|--|----------------|
| If yes... | exposure score |
| Not subject to a possible subsequent veto by the executive? | 5 |
| Subject to possible subsequent veto by the executive, but veto can be overturned by a vote (2/3 or higher) in the legislature? | 4 |

| | |
|---|---|
| If no... | |
| The executive submit a new budget proposal following the rejection of the budget by the legislature | 3 |
| Last year's budget will automatically be apply on a month by month or quarterly basis | 2 |
| Last year's will budget automatically apply in its entirety | 1 |
| Legislators fear that the legislature will be dissolved | 1 |
| The budget proposed by the executive will be automatically enacted | 0 |

4.3.4 What are the enduring binding constraints on the legislature concerning the initiation of legislation with a spending implication Mark all statements that apply

- | | |
|---|----------------|
| | exposure score |
| 1. No constraint | 5 |
| 2. The legislature can initiate any spending bills as long as it also identifies the source of funding | 4 |
| 3. The legislature cannot initiate legislation that decreases resources or increases expenditures | 2 |
| 4. The aggregate changes must be off-setting - any increases must be off-set by an equal and opposite education | 2 |
| 5. The legislature cannot increase spending or the deficit above a certain limit | 2 |
| 6. the legislature cannot increase spending or the deficit at all | 2 |

7. the legislature cannot initiate spending legislation 1

Exposure of the executive to dismissal by the legislature (between elections)

- 4.3.5 What are the enduring binding constraints on the legislature (in practice) concerning the dismissal of government? Mark all statements that apply
- | | exposure score |
|---|----------------|
| 1. No constraint - the legislature can dismiss government without the risk of being dissolved | 5 |
| 2. Limited constraint - the legislature can dismiss government but with a significant risk of being dissolved | 4 |
| 3. Some constraint - the legislature can dismiss government but faces the strong disincentive that it is itself automatically dissolved as a result | 2 |
| 4. The legislature is fully constrained in that it has no constitutional ability to dismiss the government (other than through impeachment) | 0 |
- 4.3.6 What are the enduring binding constraints on the legislature (in practice) concerning the dismissal of individual government members Mark all statements that apply
- | | exposure score |
|--|----------------|
| 1. No constraint the legislature can dismiss government ministers - no possible dissolution of the legislature by the executive | 5 |
| 2. Some constraint - the legislature can dismiss government ministers but faces strong disincentives (significant risk of dissolution) | 2 |
| 3. The legislature is fully constrained in that it has no constitutional ability to dismiss government ministers individually (other than through impeachment) | 0 |
- 4.3.7 What is the tradition of single party governments? Mark all statements that apply
- | | exposure score |
|---|----------------|
| 1. No tradition - government has been coalition for 6 out of the last 10 years or more | 5 |
| 2. Some tradition - government has varied over the last 10 years | 2 |
| 3. Always majority government - government has been one party majority for 6 out of the last 10 years or more | 0 |

4.4 Balance of Influence at the Center of State

4.4.1 Is movement of Parliamentarians between political parties restricted?

1. No
2. By Tradition
3. By Legislation
4. By Constitution

4.4.2 Do the parties vote as a block in Parliament?

1. No
2. Rarely
3. Occasionally
4. Generally

4.4.3 Is the Speaker of the Parliament from the same party as Prime Minister (Head of the Government)?

1. Yes
2. No

4.4.4 Is the Chairperson of Parliamentary Budget Commission from the same party as Prime Minister (Head of the Government)?

1. Yes
2. No

4.4.5 What is the expected tenure of the Prime Minister?

1. 1 year or less
2. 2 years or less
3. 3 years or less
4. 5 years or less
5. 10 years or less
6. 10 years or more

4.4.6 For how many years has the current Prime Minister been in power?

1. 1 year or less
2. 2 years or less
3. 3 years or less
4. 5 years or less

5. 10 years or less
6. 10 years or more

4.4.7 What is the format of the cabinet?

1. Majority
2. Minority
3. Uniparty
4. Two-Party Coalition
5. Three-Party Coalition

4.4.8 What is the expected tenure of the cabinet ?

1. 1 year or less
2. 2 years or less
3. 3 years or less
4. 5 years or less
5. 10 years or less

4.4.9 For how many years has the cabinet been in power?

1. 1 year or less
2. 2 years or less
3. 3 years or less
4. 5 years or less
5. 10 years or less

4.4.10 How many members does the Cabinet have?

1. 15
2. 20
3. 25
4. 30
5. 35
6. More than 35

4.4.11 How many Ministries are there (not including State Ministries)?

1. 15
2. 20
3. 25
4. 30

- 5. 35
- 6. More than 35

4.4.12 Is there a Cabinet subcommittee responsible for planning and budgeting ?

- 1. No
- 2. Yes

4.4.13 Is the Minister of Finance and Prime Minister from the same political party?

- 1. No
- 2. Yes

4.4.14 How long is the average tenure of Minister of Finance?

- 1. 1 year or less
- 2. 2 years or less
- 3. 3 years or less
- 4. 5 years or less
- 5. More than 5 years

4.4.15 To which ministry do the following central agencies report ?

| | Prime Ministry | Ministry of Finance | Other (specify) |
|--------------------|----------------|---------------------|-----------------|
| Planning Office | | | |
| Budget Office | | | |
| Revenue Office | | | |
| Debt Office | | | |
| Controller General | | | |
| Accountant General | | | |
| Inspector General | | | |
| Statistics Office | | | |
| Other (specify) | | | |

4.4.16 Which ministry controls following fiscal operations?

| | Prime Minister's Office | Ministry of Finance | Other (Specify) |
|--------------------------|-------------------------|---------------------|-----------------|
| Current Expenditures | | | |
| Salaries | | | |
| Interest Payments | | | |
| Transfers to SOEs | | | |
| Transfers to State Banks | | | |
| Investment | | | |
| State Guarantees | | | |

| | | | |
|---------------|--|--|--|
| Privatization | | | |
|---------------|--|--|--|

4.4.17 Who knows what about off-budget fiscal operations?

Specify for your country:

| | EBF | QFA | Contingent Liabilities | Financial Assets | Physical Assets | Tax Expenditures |
|---------------------------------------|-----|-----|------------------------|------------------|-----------------|------------------|
| Accounts kept by (specify agency) | | | | | | |
| Financial Control by (specify agency) | | | | | | |
| Reported to (specify agency) | | | | | | |
| Audited by (specify agency) | | | | | | |
| Reported to Cabinet (Yes/No) | | | | | | |
| Reported to Parliament (Yes/No) | | | | | | |
| Reported to Public(Yes/No) | | | | | | |
| Reviewed by Media and NGO's (Yes/No) | | | | | | |

4.4.18 Do central agencies share and operate joint information systems?

1. No
2. Yes

4.4.19 Is coordination among central agencies perceived as a major problem?

1. No
2. Yes

4.4.20 On what basis does the Parliament appropriate expenditure?

1. Line Item
2. Program
3. Block vote
4. Functional
5. Output based
6. Output based accrual

7. Other:

4.5 Policy Positions of Politicians

4.5.1.a Are there clear policy positions of political parties during elections?

1. Yes
2. Limited
3. No

If, no please skip to 4.5.2. Otherwise continue to answer 4.5.1.

4.5.1.b Are election positions binding?

1. Yes
2. Limited
3. No

4.5.2 Are early elections common?

1. Yes
2. Limited
3. No

4.5.3 Are joint policy positions established by coalition partners (or is coalition bargaining based solely on distribution of ministries)?

1. Yes
2. Limited
3. No

4.5.4 Does the Government Program specify policy priorities?

1. No
2. Yes

4.5.5 What are the election promises of the parties in the cabinet? (Check all that apply)

1. Nothing Specific
2. Sustainable Growth
3. Equal Access to Public Services
4. Fight against Poverty
5. Improving Human Capital: Education and Health

6. Other (Specify):

4.5.6 What are the priorities in Government's actual policy program? (Check all that apply)

- 1. Sustainable Growth
- 2. Equal Access to Public Services
- 3. Fight against Poverty
- 4. Improving Human Capital: Education and Health
- 5. Other (Specify):

4.5.7 What is the view of the cabinet about the Government's role in poverty alleviation?

- 1. Not a policy issue
- 2. Policy issue but not reflected in programs
- 3. Implemented only by direct anti poverty programs
- 4. Measured across most programs

4.5.8 Is fiscal prudence a generally accepted value among politicians?

- 1. No
- 2. Yes

4.5.9 Is fiscal discipline an election issue?

- 1. No
- 2. No new taxes
- 3. No real growth in spending
- 4. No real growth in deficit
- 5. Balanced Budget
- 6. Fiscal Surplus

4.6 Role of Donors

4.6.1 Is the country dependent on the international donors organizations to finance its investments?

- 1. No
- 2. Temporarily
- 3. Generally

4.6.2 Approximately how many donors provide project financing?

4.6.3 What percentage of public investment is donor funded?

1. Less than 10%
2. 11 to 20%
3. 21to 40%
4. 41 to 70%
5. 71 to 100%

4.6.4 What share of the country's deficit is financed by international donor institutions?

| | Last year | 3 years ago | 5 years ago |
|---------|-----------|-------------|-------------|
| 0 | | | |
| <10% | | | |
| 10%-30% | | | |
| 30%-50% | | | |
| >50% | | | |

4.6.5 Is there donor conditionality on the overall composition of expenditures?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

4.6.6 Is there a formal or informal system of coordination between donors within individual sectors?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

4.6.7 Do any donors provide direct budgetary support to the general budget?

1. No
2. Less than 10%
3. 11 to 20%
4. 21to 40%
5. 41 to 70%
6. 71 to 100%

4.6.8 Do any donors provide direct budgetary support to the relevant sector ministry?

1. No
2. Less than 10%
3. 11 to 20%
4. 21to 40%
5. 41 to 70%
6. 71 to 100%

4.6.9 What percentage of donor financed expenditures are earmarked for particular programs and projects?

1. Less than 10%
2. 11 to 20%
3. 21to 40%
4. 41 to 70%
5. 71 to 100%

4.6.10 To what extent do donors/international financial institutions make their interventions in accord with the country's budget cycle?

1. No effort is made to fund in alignment with the country budget cycle
2. Donors are in favor of aligning with the country budget cycle, but claim to be restricted in their ability to do this
3. Some donor interventions are aligned with the country budget cycle
4. A significant portion of donor funding is aligned with the country budget cycle

4.6.11 Do donors use the financial management systems and processes of the government for disbursement of their funds?

1. Not at all
2. To some degree
3. To a significant degree
4. Almost completely
5. Completely

4.7 Boundary between government and the rest of the economy

4.7.1 Is there a clear separation of the predominantly noncommercial activities of general government from the rest of the public sector, and the private sector?

1. General government not clearly distinguished from other sectors
2. A lack of separation with respect to some significant activities
3. Generally, a clear separation

4.7.2 Government involvement in the private sector is:

1. Pervasive and not well-defined
2. Not well-defined in a number of aspects
3. Open, public, and on the basis of clear rules and procedures

4.7.3 Government regulation of the nonbank private sector is implemented through:

1. Complex regulations, nontransparent regulatory processes
2. Relatively simple open regulations, but significant scope for discriminatory implementation
3. Clear simple regulations and open regulatory processes
4. As above, and an open formal process for assessing quality of proposed new regulations and periodically reviewing existing regulations

4.7.4 Government involvement in the financial sector

1. Extensive government ownership with limited reporting of performance, together with significant unreported quasi-fiscal activities QFAs by both government and nongovernment banks
2. Limited government ownership, but significant unreported QFAs by private banks
3. Limited government ownership and only minor QFAs
4. No government-owned banks, and no QFAs or full public reporting of any QFAs

4.7.5 Government's equity participation in private companies is

1. Widespread and not clearly reported
2. Moderate but not clearly reported
3. Limited, reported, and clearly explained

4.7.6 The government influences central bank policy for fiscal purposes:

1. To a great extent
2. To some extent
3. Little or not at all

4.7.8 Separation of public financial institutions from general government

1. Poor separation/extensive QFA activity
2. QFAs exist but are relatively limited
3. Clear separation of fiscal and banking policies and operations

4.7.9 Are arrangements between nonfinancial public enterprises and general government

1. Poorly distinguished and nontransparent
2. Mainly distinct, but with significant nontransparent intervention
3. Clear distinctions in management and transparent financial arrangements